CHAPTER 391

CONSUMER AND COMMERCIAL TRANSACTIONS

SENATE BILL 19-090

BY SENATOR(S) Scott, Donovan, Gardner, Hill, Lundeen, Priola, Rankin, Tate, Woodward; also REPRESENTATIVE(S) Gray, Jaquez Lewis, Melton, Valdez A., Hooton.

AN ACT

CONCERNING THE OPERATION OF PEER-TO-PEER MOTOR VEHICLE SHARING BUSINESSES.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, **add** part 12 to article 1 of title 6 as follows:

PART 12 PEER-TO-PEER CAR SHARING ACT

- **6-1-1201. Short title.** The short title of this part 12 is the "Colorado Peer-to-peer Car Sharing Act".
- **6-1-1202. Definitions.** As used in this part 12, unless the context otherwise requires:
 - (1) "CAR" MEANS A MOTOR VEHICLE AS DEFINED IN SECTION 42-1-102 (58).
- (2) "CAR SHARING" MEANS THE AUTHORIZED USE OF A SHARED CAR BY PERSONS OTHER THAN THE SHARED CAR'S OWNER, FACILITATED BY A CAR SHARING PROGRAM.
- (3) (a) "Car sharing agreement" means the terms and conditions that apply to a shared car owner and a shared car driver and that govern the use of a shared car.
- (b) "Car sharing agreement" excludes a rental agreement as defined in section 6-1-201.

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

- (4) (a) "Car sharing program" means a person that is in the business of operating an online platform to connect third-party vehicle owners with third-party vehicle drivers to enable peer-to-peer car sharing within Colorado.
 - (b) "CAR SHARING PROGRAM" EXCLUDES:
- (I) THE REGISTERED OWNER OF THE CAR INVOLVED IN CAR SHARING FACILITATED BY A CAR SHARING PROGRAM; AND
 - (II) A LESSOR AS DEFINED IN SECTION 6-1-201.
- (5) "Delivery period" means the time when a shared car is being delivered to the location of the car sharing start time, as documented by the governing car sharing agreement.
- (6) (a) "Shared car" means a motor vehicle that is available for sharing through a car sharing program but is not used exclusively for car sharing.
- (b) "Shared Car" excludes a rental motor vehicle as defined in section 6-1-201.
- (7) (a) "SHARED CAR DRIVER" MEANS AN INDIVIDUAL WHO HAS BEEN AUTHORIZED TO DRIVE THE SHARED CAR BY A CAR SHARING PROGRAM UNDER A CAR SHARING AGREEMENT.
 - (b) "Shared car driver" excludes a lessee as defined in section 6-1-201.
- (8) "SHARED CAR OWNER" MEANS A PERSON THAT MAKES A SHARED CAR AVAILABLE FOR SHARING TO SHARED CAR DRIVERS THROUGH A CAR SHARING PROGRAM.
- (9) "Sharing period" means the time that begins at the sharing start time and ends at the sharing termination time.
- (10) "Sharing start time" means the time when a shared car driver takes possession and control of the shared car. The sharing start time may be at or after the time the reservation of a shared car is scheduled to begin under a car sharing agreement.
- (11) "Sharing termination time" means the earliest of the following events:
- (a) THE EXPIRATION OF THE AGREED PERIOD OF TIME ESTABLISHED FOR THE USE OF A SHARED CAR IN THE GOVERNING CAR SHARING AGREEMENT IF THE SHARED CAR IS DELIVERED TO THE LOCATION AGREED UPON IN THE AGREEMENT;
- (b) When the shared car is returned to an alternative location as agreed upon by the shared car owner and shared car driver as communicated through a car sharing program; or

- (c) The shared car owner, or the shared car owner's authorized designee, takes possession and control of the shared car.
- **6-1-1203.** Insurance coverage during car sharing period. (1) (a) Except as provided in subsection (1)(b) of this section, a car sharing program shall assume the liability of a shared car owner for any bodily injury or property damage to third parties, or uninsured and underinsured motorist or personal injury protection losses, during the sharing period up to an amount stated in the car sharing agreement, but not less than the minimum amount of financial responsibility required by article 7 of title 42.
- (b) The assumption of liability under subsection (1)(a) of this section does not apply to a shared car owner if:
- (I) The shared car owner makes an intentional or fraudulent material misrepresentation to or omission to the car sharing program before the sharing period when the loss occurred; or
- (II) The shared car owner acts in concert with a shared car driver who fails to return the shared car in accordance with the car sharing agreement.
- (c) Notwithstanding subsection (1)(b) of this section, the definition of "sharing termination time" in section 6-1-1202 (11), or the amount of liability coverage stated in the Car sharing agreement, the assumption of liability under subsection (1)(a) of this section in the amount required by article 7 of title 42 applies to any bodily injury or property damage suffered by innocent third parties for injuries or losses during the sharing period.
- (2) A CAR SHARING PROGRAM SHALL ENSURE THAT, DURING EACH SHARING PERIOD, THE SHARED CAR OWNER AND THE SHARED CAR DRIVER ARE INSURED UNDER AN AUTOMOBILE LIABILITY INSURANCE POLICY THAT:
- (a) (I) RECOGNIZES THAT THE SHARED CAR INSURED UNDER THE POLICY IS MADE AVAILABLE THROUGH AND USED THROUGH A CAR SHARING PROGRAM; OR
 - (II) DOES NOT EXCLUDE USE OF A SHARED CAR BY A SHARED CAR DRIVER; AND
 - (b) Provides insurance coverage under A:
- (I) Commercial liability policy issued to the car sharing program that is not less than three times the minimum amount of financial responsibility required by article 7 of title 42; or
- (II) Personal liability policy issued to the shared car driver that is not less than the minimum amount of financial responsibility required by article 7 of title 42.
 - (3) THE FINANCIAL RESPONSIBILITY REQUIRED IN SUBSECTION (2) OF THIS SECTION

MAY BE SATISFIED BY AUTOMOBILE LIABILITY INSURANCE THAT IS MAINTAINED BY ANY ONE OR A COMBINATION OF THE FOLLOWING:

- (a) A SHARED CAR DRIVER; OR
- (b) A CAR SHARING PROGRAM.
- (4) The insurance described in subsection (3) of this section that satisfies the insurance requirement in subsection (2) of this section is the primary coverage during the sharing period.
- (5) A CAR SHARING PROGRAM SHALL ASSUME PRIMARY LIABILITY FOR A CLAIM IF:
- (a) THE PROGRAM IS IN WHOLE OR IN PART PROVIDING THE INSURANCE REQUIRED IN SUBSECTIONS (2) AND (3) OF THIS SECTION;
- (b) A dispute exists as to who was in control of the shared car at the time of the loss; and
- (c) The program does not have available, did not retain, or fails to provide the information required in section 6-1-1207 that relates to the claim.
- (6) (a) If the insurance that complies with subsection (2) of this section is provided by the shared car driver or shared car owner, a car sharing program shall maintain insurance that provides coverage meeting the requirements of this section and that covers a lapse in or lack of coverage of the shared car driver's or shared car owner's insurance, beginning with the first dollar of a claim and including a duty to defend the claim.
 - (b) The insurance required by this subsection (6) may be procured from:
 - (I) An insurer licensed under title 10; or
- (II) A surplus lines insurer authorized under article 5 of title 10 that has a credit rating of no less than:
 - (A) "A-" FROM A.M. BEST COMPANY, INC.;
 - (B) "A" FROM DEMOTECH, INC.; OR
- (C) A similar rating from another rating agency if both the rating and agency are recognized by the commissioner of insurance by rule under section 10-5-117.
- (7) COVERAGE UNDER AN AUTOMOBILE LIABILITY INSURANCE POLICY MAINTAINED BY THE CAR SHARING PROGRAM DOES NOT DEPEND ON A PERSONAL AUTOMOBILE LIABILITY INSURER FIRST DENYING OR BEING REQUIRED TO DENY A CLAIM.

- (8) This section does not:
- (a) LIMIT THE LIABILITY OF THE CAR SHARING PROGRAM FOR AN ACT OR OMISSION OF THE CAR SHARING PROGRAM THAT RESULTS IN BODILY INJURY TO ANY PERSON AS A RESULT OF THE USE OF A SHARED VEHICLE THROUGH A CAR SHARING PROGRAM; OR
- (b) Limit the ability of the Car sharing program to contract for indemnification from the shared car owner or the shared car driver for economic loss sustained by the Car sharing program caused by a breach of the terms and conditions of the Car sharing agreement.
- **6-1-1204. Notification of implications of lien.** When a car owner registers as a shared car owner on a car sharing program and before the shared car is made available for car sharing, the car sharing program shall notify the shared car owner that, if the shared car has a lien against it, the use of the shared car through a car sharing program, including use without physical damage coverage, may violate the terms of the contract with the lienholder.
- **6-1-1205.** Liability exclusions for personal automobile liability insurance policy indemnification. (1) An authorized insurer may exclude coverage and the duty to defend or indemnify for any claim under a shared car owner's personal automobile liability insurance policy. This part 12 does not invalidate or limit an exclusion contained in an automobile liability insurance policy, including any insurance policy that excludes coverage for motor vehicles made available for rent, sharing, hire, or business use.
- (2) AN AUTOMOBILE INSURER OF THE SHARED CAR OWNER THAT DEFENDS OR INDEMNIFIES A SHARED CAR CLAIM HAS THE RIGHT TO CONTRIBUTION AGAINST THE INSURER OF THE SHARED CAR PROGRAM IF THE CLAIM IS:
- (a) Made against the shared car owner or the shared car driver for damages occurring during the sharing period; and
- (b) EXCLUDED UNDER THE TERMS OF THE SHARED CAR OWNER'S INSURANCE POLICY.
- **6-1-1206.** Prohibition on exclusion of coverage for car sharing. An automobile insurance company shall not exclude otherwise applicable uninsured or underinsured motorist coverage from a shared car driver's or passenger's personal automobile insurance policy because of the person's participation in car sharing.
- **6-1-1207. Record keeping.** A Car sharing program shall collect and verify records concerning the use of a vehicle, including times used, fees paid by the shared car driver, and revenues received by the shared car owner. A Car sharing program shall provide these records upon request to the shared car owner; to facilitate a claim investigation, to the shared car owner's insurer or the shared car driver's insurer; or as

REQUIRED BY AN AIRPORT CONCESSION AGREEMENT. THE CAR SHARING PROGRAM SHALL RETAIN THESE RECORDS FOR AT LEAST THE DURATION OF THE APPLICABLE PERSONAL INJURY STATUTE OF LIMITATIONS.

- **6-1-1208.** Federal law vicarious liability. A car sharing program and a shared car owner are exempt from vicarious liability in accordance with 49 U.S.C. sec. 30106 and under any state or local law that imposes liability based only on vehicle ownership.
- **6-1-1209. Insurable interest.** (1) A CAR SHARING PROGRAM SHALL HAVE AN INSURABLE INTEREST IN A SHARED CAR DURING THE SHARING PERIOD. THIS SECTION DOES NOT CREATE LIABILITY FOR A CAR SHARING PROGRAM FOR FAILURE TO MAINTAIN THE INSURANCE COVERAGE REQUIRED IN SECTION 6-1-1203 IF INSURANCE COVERAGE IS MAINTAINED IN COMPLIANCE WITH SECTION 6-1-1203 BY THE SHARED CAR DRIVER OR THE SHARED CAR OWNER.
- (2) A CAR SHARING PROGRAM MAY OWN AND MAINTAIN, AS THE NAMED INSURED, ONE OR MORE POLICIES OF AUTOMOBILE LIABILITY INSURANCE THAT PROVIDE COVERAGE IN THE AMOUNT OF, IN EXCESS OF, OR OPTIONAL TO THE AMOUNT OF COVERAGE REQUIRED IN THIS PART 12. THE COVERAGE MAY INCLUDE COVERAGE FOR:
- (a) LIABILITY ASSUMED BY THE CAR SHARING PROGRAM UNDER A CAR SHARING AGREEMENT;
 - (b) THE LIABILITY OF THE SHARED CAR OWNER;
 - (c) Damage or loss to the shared car; or
 - (d) The liability of the shared car driver.
- **6-1-1210.** Required disclosures and notices. (1) A CAR SHARING PROGRAM SHALL, FOR EACH SHARED CAR PARTICIPATING IN A CAR SHARING AGREEMENT ON ITS PLATFORM, DO ALL OF THE FOLLOWING:
- (a) Provide the shared car owner and the shared car driver with the terms and conditions of the car sharing agreement;
- (b) Disclose to the shared car driver any costs or fees that are charged to the shared car driver under the car sharing agreement;
- (c) DISCLOSE TO THE SHARED CAR OWNER ANY COSTS OR FEES THAT ARE CHARGED TO THE SHARED CAR OWNER UNDER THE CAR SHARING AGREEMENT;
- (d) Provide an emergency telephone number for a person capable of facilitating roadside assistance to the shared car driver;
- (e) DISCLOSE ANY RIGHT OF THE CAR SHARING PROGRAM TO SEEK INDEMNIFICATION FROM THE SHARED CAR OWNER OR THE SHARED CAR DRIVER FOR ECONOMIC LOSS SUSTAINED BY THE CAR SHARING PROGRAM CAUSED BY A BREACH OF THE CAR SHARING AGREEMENT;

- (f) DISCLOSE THAT AN AUTOMOBILE LIABILITY INSURANCE POLICY ISSUED TO THE SHARED CAR OWNER FOR THE SHARED CAR OR TO THE SHARED CAR DRIVER DOES NOT PROVIDE A DEFENSE OR INDEMNIFICATION FOR ANY CLAIM ASSERTED BY THE CAR SHARING PROGRAM;
- (g) Disclose that the Car Sharing Program's insurance coverage on the shared car owner and the shared car driver is in effect only during each sharing period and that the shared car may not have insurance coverage for use of the shared car by the shared car driver after the sharing termination time;
- (h) Disclose any insurance or protection package costs that are charged to the shared car owner or the shared car driver;
- (i) DISCLOSE THAT THE SHARED CAR OWNER'S AUTOMOBILE LIABILITY INSURANCE MIGHT NOT PROVIDE COVERAGE FOR A SHARED CAR; AND
- (j) Disclose to the shared car driver any conditions in which the shared car driver is required to maintain a personal automobile liability policy as the primary coverage for the shared car in order to drive a shared car.
- **6-1-1211.** Driver's license verification and data retention. (1) A CAR SHARING PROGRAM SHALL NOT ENTER INTO A CAR SHARING AGREEMENT WITH A CAR SHARING DRIVER UNLESS THE DRIVER:
- (a) Holds a driver's license, issued under article 2 of title 42, that authorizes the driver to operate cars of the class of the shared car; or
- (b) Is a nonresident who is exempt from licensure under section 42-2-102.
 - (2) A CAR SHARING PROGRAM SHALL KEEP A RECORD OF:
 - (a) THE NAME AND ADDRESS OF THE SHARED CAR DRIVER;
 - (b) THE NUMBER OF THE DRIVER'S LICENSE OF EACH SHARED CAR DRIVER; AND
 - (c) The date and place of issuance of the driver's license.
- **6-1-1212. Shared car equipment.** A car sharing program is responsible for any equipment, including a GPS system, that is put in or on the car to monitor or facilitate the car sharing transaction. A car sharing program shall indemnify and hold harmless the shared car owner for any damage to or theft of the equipment during the sharing period, unless caused by the shared car owner. The car sharing program has the right to be indemnified from the shared car driver for any loss or damage to the equipment that occurs during the sharing period.
- **6-1-1213. Safety recalls.** (1) When a shared car owner registers a shared car with a car sharing program and before the shared car is available

FOR CAR SHARING, THE CAR SHARING PROGRAM SHALL:

- (a) VERIFY THAT THE SHARED CAR DOES NOT HAVE ANY OPEN SAFETY RECALLS FOR WHICH THE REPAIRS HAVE NOT BEEN MADE; AND
- (b) Notify the shared car owner of the requirements under subsection (2) OF THIS SECTION.
- (2) If the shared car owner has actual notice of a safety recall on the SHARED CAR, A SHARED CAR OWNER SHALL NOT MAKE THE SHARED CAR AVAILABLE WITH A CAR SHARING PROGRAM UNTIL THE SAFETY RECALL REPAIR HAS BEEN MADE.
- (3) If a shared car owner has actual notice of a safety recall on a SHARED CAR WHILE AVAILABLE FOR SHARING WITH A CAR SHARING PROGRAM, THE SHARED CAR OWNER SHALL REMOVE THE SHARED CAR'S AVAILABILITY WITH THE CAR SHARING PROGRAM:
- (a) AS SOON AS PRACTICABLE, BUT NO LATER THAN SEVENTY-TWO HOURS, AFTER RECEIVING THE NOTICE OF THE SAFETY RECALL; AND
 - (b) Until the safety recall repair has been made.
- (4) If a shared car owner has actual notice of a safety recall during THE SHARING PERIOD, THE SHARED CAR OWNER SHALL NOTIFY BOTH THE SHARED CAR DRIVER AND THE CAR SHARING PROGRAM ABOUT THE SAFETY RECALL.
- **6-1-1214.** Enabling operation at airport. (1) A CAR SHARING PROGRAM SHALL ENTER INTO AN AIRPORT CONCESSION AGREEMENT BEFORE ENABLING CAR SHARING AT THE AIRPORT, UNLESS THE AIRPORT EXPLICITLY AND IN WRITING WAIVES THE RIGHT TO REQUIRE AN AGREEMENT.
- (2) A CAR SHARING PROGRAM IS ENABLING CAR SHARING AT AN AIRPORT IF THE CAR SHARING PROGRAM OR A SHARED CAR OWNER USES THE CAR SHARING PROGRAM TO:
 - (a) LIST VEHICLES PARKED ON AIRPORT PROPERTY OR AT AIRPORT FACILITIES;
 - (b) CONTRACT FOR TRANSPORTATION TO OR FROM AIRPORT FACILITIES;
- (c) FACILITATE THE USE OF A SHARED CAR TO TRANSPORT AIRPORT PASSENGERS ON OR OFF OF AIRPORT PROPERTY; OR
- (d) Promote or market a shared car to transport airport passengers on OR OFF OF AIRPORT PROPERTY.
- (3) An airport concession agreement may impose the taxes and fees that ARE IMPOSED ON OTHER CONCESSIONAIRES OPERATING AT THE AIRPORT.
- (4) IF A CAR SHARING PROGRAM FAILS TO OR REFUSES TO ENTER INTO AN AIRPORT CONCESSION AGREEMENT, THE AFFECTED AIRPORT MAY SEEK AN INJUNCTION PROHIBITING THE CAR SHARING PROGRAM FROM OPERATING AT THE AIRPORT AND

MAY SEEK DAMAGES AND PUNITIVE DAMAGES AGAINST THE CAR SHARING PROGRAM.

SECTION 2. In Colorado Revised Statutes, **amend** 10-4-601.5 as follows:

10-4-601.5. Administrative authority. The commissioner shall administer and enforce the provisions of this part 6, and may make rules necessary for the administration of this part 6 in accordance with article 4 of title 24, C.R.S. AND MAY ENFORCE THE PROVISIONS OF PART 12 OF ARTICLE 1 OF TITLE 6 THAT APPLY TO AN INSURER OR A POLICY.

SECTION 3. Act subject to petition - effective date. This act takes effect January 1, 2020; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within the ninety-day period after final adjournment of the general assembly, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2020 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: May 31, 2019